Chapter 3

The Problem-Solving A3 Report

Your Turn

Now it is your turn. On the next couple of pages we describe a problem-solving situation involving some administrative procedures of a hospital. We are going to violate one of our go-and-see principles here for the sake of learning. In real-world applications, always, always go and observe firsthand to gain a contextualized understanding of the problem. However, we feel that a little practice getting
your hands dirty writing an A3 report may be beneficial before tackling a real problem in your organization.

**Part 1: Write an A3**

So, for part 1 of the learn-by-doing exercise, get out an 11 x 17-inch sheet of paper and a pencil (and maybe a big eraser!), and draft an A3 based on the following information. You may find that you would like to have more information than what is provided. If that is the case, make some assumptions and proceed accordingly. Remember, this is for practice in the art of A3 report writing.

The management of the hospital where this study takes place (let us call it Community Medical) desires to reduce one of its key metrics: accounts receivable (A/R) days, which is the time between rendering a given service and receiving payment for that service. One area of the hospital with higher-than-average A/R days is the Emergency Department (ED). It was discovered that ED charts frequently wait for transcriptions, resulting in delayed bill drops. Bill drop is the time from providing the service until the patient’s bill is ready for invoicing.

To actually generate a bill, the patient’s medical file (or chart) must be coded, that is, assigned a numerical code for each service rendered for the purposes of insurance billing. Coders need a transcription of the physician’s dictation of the visit to ensure the accuracy of the coding and to comply with accreditation regulations. Emergency Department dictations are transcribed by a third party (Ultramed), and the transcriptions are then downloaded in the hospital’s Information Management (HIM) Department which does the coding for all hospital patient accounts.

**STOP: Before going further, draft a theme statement and background section assuming the audience is the director of financial services (one level below vice president and the HIM manager’s boss).**
After physically following the route of medical charts through the process and interviewing each person who touches the chart between the ED and billing departments, the team arrived at the following description of how the current process works.

1. Upon discharge, the physician who saw the patient records the dictation over the phone to Ultramed (similar to leaving a voice-mail), and then jots an Ultramed job number on the patient's chart.
2. The patient's chart is sent to HIM where it is placed in a file holder.
3. Meanwhile, Ultramed transcribes the dictation and posts it to a limited access Web site.
4. An HIM staff member, who is assigned to periodically check the Web site, prints the transcriptions and places them in a designated location ordered by date.
5. Another HIM staff member periodically matches the stack of transcriptions to the patient charts. If he or she discovers a chart without a job number (meaning a dictation had not been made), the chart goes back to the ED for dictation. A chart with a job number but no transcription requires follow-up with the transcription company.
6. A pool of coders retrieves the completed charts for coding. Occasionally an HIM coder must manage a crisis because the chart is complete for coding, but somehow, the transcription cannot be found. When finished, the coders return the files to the designated location in the file holder for coded charts.
7. The coded charts move to the billing department.

STOP: Now draw a diagram that depicts your understanding of the coding process described above. To test your diagram, show it to someone else to see whether they get it.
One of the problems frequently encountered was that transcriptions could become available from Ultramed, and even downloaded, but would not get matched with patient files. In one day’s exception report for delayed bills, seventeen charts were identified as awaiting transcriptions in HIM, but of those, seven transcriptions were already present in the HIM! In other words, seven transcriptions had been made but had somehow become lost or misplaced in the system, thus delaying bill processing on those accounts. Thus, patient files waited in queue unnecessarily, resulting in delays in authorization to send bills and increasing A/R days. In addition, HIM staff spent significant effort keeping track of patient files and transcriptions, following up on late dictations and so forth.

The bill drop time for this process ranged from seven days to over fifty days, with an average of ten days. Based upon conversations with multiple parties, including the fiscal services management team, it was decided that a target bill drop rate of seven days or less would be reasonable.

STOP: What would be a good goal statement for this problem? Write it. Also add the measurement data on delayed charts pictorially to the current condition diagram.

As the team investigated why chart coding was being delayed, it became clear that the complexity of pathways made it difficult for the HIM staff to manage the flow of charts through its department. No one could see easily where charts needed to go next. The complexity meant that the person responsible for matching transcripts to patient charts often failed to do so. The most common reason for this was that the person did not see or find the transcript. Transcriptions were missing or not found for many reasons: they were out of order; physicians delayed getting dictations made; the staff failed to realize that outstanding transcriptions had to be made; and a mixing up of recent and outstanding transcriptions had occurred, among others. After sifting through the various causes, it became apparent that the main cause of this confusion was that the system lacked clear signals for indicating when ED physicians had done their dictations and when transcriptions were ready for download.

STOP: Draft a root-cause analysis section for the A3.